



What Was Performed? A financial statement audit and Single Audit of the Delaware State Housing Authority for the Fiscal Year Ended June 30, 2020 was performed.

The mission of the Delaware State Housing Authority is to efficiently provide, and assist others to provide, quality, affordable housing opportunities and appropriate supportive services to low- and moderate-income Delawareans.

The Delaware State Housing Authority was created in 1968 as a public corporation in the Delaware State Department of Housing. In 1970, DSHA became part of the Department of Community Affairs and later, in 1987, joined the Delaware Economic Development Office. In 1998, the DSHA was established as an independent authority in the Executive Department, reporting directly to the Governor.

Why This Engagement? This engagement was performed in accordance with 31 Del. C. § 4015 and 29 Del. C. § 2906.

Finding: Auditors identified a significant deficiency.¹ A material adjusting journal entry of \$630,000 was required to correct a financial statement balance. Auditors discovered this adjustment had not been made by DSHA during the year-end close process. A similar finding was also reported in the previous year. Management made the correction in the financial statements allowing for an overall unmodified opinion.²

Recommendation: A recommendation was made for DSHA to evaluate all post-closing entries and audit adjustments to ensure these adjustments are made on a timely basis in the future.

The Delaware State Housing Authority financial statement audit and Single Audit for the Fiscal Year Ended June 30, 2020 can be found on our website: [click here](#).

Please do not reply to this email. For any questions regarding the attached report, please contact State Auditor Kathleen K. McGuinness at Kathleen.Mcguinness@delaware.gov

¹ A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

² An unmodified opinion is sometimes referred to as a “clean” opinion. It is one in which the auditor expresses an opinion that the financial statements present fairly, in all material respects, an entity’s financial position, results of operation and cash flows in conformity with generally accepted accounting principles.